Employment practices review

From:
Sent: 17 May 2017 19:22
To: Employment practices review
Subject: Taylor Review - Part time working

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Hello

An area that should be considered is the growth in part time working, whilst on its own not necessarily bad, there is a driver that encourages this practice.

Employer National Insurance Contributions (NIC) are only paid on salaries in excess of £157 per week, or £8,164 per annum. As a result many sectors such as retail, catering etc favour part time workers. By doing so the employers effectively 'save' the employers NIC of 13.8% of the salary amount, quite a saving.

This discourages full time roles, an option would be a much lower starting threshold for employer NIC or for simplicity, no threshold at all.

One result of this would probably be that contractors and the self employed operating through a limited company could opt to pay no salary at all but this is unlikely as to do so would increase the amount of profit subject to a Corporation Tax and so more tax payable.

The elimination of this threshold would be fairer to businesses who employ full time staff and would encourage more full time work, improving financial security for employees but at the same time not discouraging part time work in cases where is suits employers and employees.

Thanks,

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